

ASSEMBLY, No. 2888

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED FEBRUARY 20, 2020

Sponsored by:
Assemblywoman NANCY F. MUNOZ
District 21 (Morris, Somerset and Union)

SYNOPSIS

Expands eligibility under the Urban Transit Hub Tax Credit Act by broadening certain municipal qualifier provisions.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT expanding eligibility under Urban Transit Hub Tax Credit
2 Act, amending P.L.2007, c.346 (C.34:1B-207 et seq.).

3
4 **BE IT ENACTED** *by the Senate and General Assembly of the State*
5 *of New Jersey:*

6
7 1. Section 1 of P.L.2007, c.346 (C.34:1B-207) is amended to
8 read as follows:

9 1. This act shall be known and may be cited as the “**Urban**”
10 Transit Hub Tax Credit Act.”
11 (cf: P.L.2007, c. 346, s.1)

12
13 2. Section 2 of P.L.2007, c.346 (C.34:1B-208) is amended to
14 read as follows:

15 2. As used in this act:

16 "Affiliate" means an entity that directly or indirectly controls, is
17 under common control with, or is controlled by the business.
18 Control exists in all cases in which the entity is a member of a
19 controlled group of corporations as defined pursuant to section 1563
20 of the Internal Revenue Code of 1986 (26 U.S.C.s.1563) or the
21 entity is an organization in a group of organizations under common
22 control as defined pursuant to subsection (b) or (c) of section 414 of
23 the Internal Revenue Code of 1986 (26 U.S.C.s.414). A taxpayer
24 may establish by clear and convincing evidence, as determined by
25 the Director of the Division of Taxation in the Department of the
26 Treasury, that control exists in situations involving lesser
27 percentages of ownership than required by those statutes. An
28 affiliate of a business may contribute to meeting either the qualified
29 investment or full-time employee requirements of a business that
30 applies for a credit under section 3 of P.L.2007, c.346 (C.34:1B-
31 209).

32 "Authority" means the New Jersey Economic Development
33 Authority established by section 4 of P.L.1974, c.80 (C.34:1B-4).

34 "Business" means a corporation that is subject to the tax imposed
35 pursuant to section 5 of P.L.1945, c.162 (C.54:10A-5), a
36 corporation that is subject to the tax imposed pursuant to sections 2
37 and 3 of P.L.1945, c.132 (C.54:18A-2 and 54:18A-3), section 1 of
38 P.L.1950, c.231 (C.17:32-15) or N.J.S.17B:23-5, or is a partnership,
39 an S corporation, or a limited liability corporation. A business shall
40 include an affiliate of the business if that business applies for a
41 credit based upon any capital investment made by or full-time
42 employees of an affiliate.

43 "Capital investment" in a qualified business facility means
44 expenses incurred after, but before the end of the eighth year after,
45 the effective date of P.L.2007, c.346 (C.34:1B-207 et seq.) for: a.

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is
not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 the site preparation and construction, repair, renovation,
2 improvement, equipping, or furnishing of a building, structure,
3 facility or improvement to real property; and b. obtaining and
4 installing furnishings and machinery, apparatus or equipment for
5 the operation of a business in a building, structure, facility or
6 improvement to real property.

7 "Eligible municipality" means a municipality: **[(1) which**
8 qualifies for State aid pursuant to P.L.1978, c.14 (C.52:27D-178 et
9 seq.) or which was continued to be a qualified municipality
10 thereunder pursuant to P.L.2007, c.111; and (2)] in which **[30**
11 percent or more of the value of real property was exempt from local
12 property taxation during tax year 2006. The percentage of exempt
13 property shall be calculated by dividing the total exempt value by
14 the sum of the net valuation which is taxable and that which is tax
15 exempt] there is a transit hub.

16 "Full-time employee" means a person employed by the business
17 for consideration for at least 35 hours a week, or who renders any
18 other standard of service generally accepted by custom or practice
19 as full-time employment, or a person who is employed by a
20 professional employer organization pursuant to an employee leasing
21 agreement between the business and the professional employer
22 organization, in accordance with P.L.2001, c.260 (C.34:8-67 et
23 seq.) for at least 35 hours a week, or who renders any other standard
24 of service generally accepted by custom or practice as full-time
25 employment, and whose wages are subject to withholding as
26 provided in the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1
27 et seq. or an employee who is a resident of another State but whose
28 income is not subject to the "New Jersey Gross Income Tax Act,"
29 N.J.S.54A:1-1 et seq. or who is a partner of a business who works
30 for the partnership for at least 35 hours a week, or who renders any
31 other standard of service generally accepted by custom or practice
32 as full-time employment, and whose distributive share of income,
33 gain, loss, or deduction, or whose guaranteed payments, or any
34 combination thereof, is subject to the payment of estimated taxes, as
35 provided in the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1
36 et seq. "Full-time employee" shall not include any person who
37 works as an independent contractor or on a consulting basis for the
38 business.

39 "Mixed use project" means a project comprising both a qualified
40 business facility and a qualified residential project.

41 "Partnership" means an entity classified as a partnership for
42 federal income tax purposes.

43 "Professional employer organization" means an employee leasing
44 company registered with the Department of Labor and Workforce
45 Development pursuant to P.L.2001, c.260 (C.34:8-67 et seq.).

46 "Qualified business facility" means any building, complex of
47 buildings or structural components of buildings, and all machinery
48 and equipment located within a designated **[urban]** transit hub in an

1 eligible municipality, used in connection with the operation of a
2 business.

3 "Qualified residential project" shall have the meaning ascribed to
4 that term under section 34 of P.L.2009, c.90 (C.34:1B-209.2).

5 "Residential unit" means a residential dwelling unit such as a
6 rental apartment, a condominium or cooperative unit, a hotel room,
7 or a dormitory room.

8 **"[Urban transit] Transit hub"** means:

9 a. (1) property located within a 1/2-mile radius surrounding
10 the **[mid point] midpoint** of a **[New Jersey Transit Corporation,**
11 **Port Authority Transit Corporation or Port Authority Trans-Hudson**
12 **Corporation]** commuter rail station platform area, including all
13 light rail stations, and

14 (2) property located within a one-mile radius of the **[mid point]**
15 midpoint of the platform area of such a rail station if the property is
16 in a qualified municipality under the "Municipal Rehabilitation and
17 Economic Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et seq.) or
18 in an area that is the subject of a Choice Neighborhoods
19 Transformation Plan funded by the federal Department of Housing
20 and Urban Development, and

21 (3) the site of the campus of an acute care medical facility
22 located within a one-mile radius of the **[mid point]** of the platform
23 area of such a rail station, and

24 (4) the site of a closed hospital located within a one-mile radius
25 of the **[mid point]** of the platform area of such a rail station;

26 b. property located within a 1/2-mile radius surrounding the
27 **[mid point]** of one of up to two underground light rail stations'
28 platform areas that are most proximate to an interstate rail station;

29 c. property adjacent to, or connected by rail spur to, a freight
30 rail line if the business utilizes that freight line at any rail spur
31 located adjacent to or within a one-mile radius surrounding the
32 entrance to the property for loading and unloading freight cars on
33 trains;

34 which property shall have been specifically delineated by the
35 authority pursuant to subsection e. of section 3 of P.L.2007, c.346
36 (C.34:1B-209).

37 A property which is partially included within the radius shall
38 only be considered part of the **[urban]** transit hub if over 50 percent
39 of its land area falls within the radius.

40 "Rail station" shall not include any rail station located at an
41 international airport, except that any property within a 1/2-mile
42 radius surrounding the **[mid point] midpoint** of a New Jersey
43 Transit Corporation rail station platform area at an international
44 airport upon which a qualified business facility is constructed or
45 renovated commencing after the effective date of P.L.2011, c.149
46 (C.34:1B-242 et al.) shall be deemed **[an urban]** a transit hub,

1 excluding any property owned or controlled by the Port Authority
2 of New York and New Jersey.
3 (cf:P.L.2011, c.149, s.10)
4

5 3. Section 3 of P.L.2007, c.346 (C.34:1B-209) is amended to
6 read as follows:

7 3. a. (1) A business, upon application to and approval from
8 the authority, shall be allowed a credit of 100 percent of its capital
9 investment, made after the effective date of P.L.2007, c.346
10 (C.34:1B-207 et seq.) but prior to its submission of documentation
11 pursuant to subsection c. of this section, in a qualified business
12 facility within an eligible municipality, pursuant to the restrictions
13 and requirements of this section. To be eligible for any tax credits
14 authorized under this section, a business shall demonstrate to the
15 authority, at the time of application, that the State's financial
16 support of the proposed capital investment in a qualified business
17 facility will yield a net positive benefit to both the State and the
18 eligible municipality. The value of all credits approved by the
19 authority pursuant to P.L.2007, c.346 (C.34:1B-207 et seq.) shall
20 not exceed \$1,750,000,000, except as may be increased by the
21 authority as set forth in paragraph (5) of subsection a. of
22 P.L.2009, c.90 (C.34:1B-209.3) and section 6 of P.L.2010, c.57
23 (C.34:1B-209.4).

24 (2) A business, other than a tenant eligible pursuant to
25 paragraph (3) of this subsection, shall make or acquire capital
26 investments totaling not less than \$50,000,000 in a qualified
27 business facility, at which the business shall employ not fewer than
28 250 full-time employees to be eligible for a credit under this
29 section. A business that acquires a qualified business facility shall
30 also be deemed to have acquired the capital investment made or
31 acquired by the seller.

32 (3) A business that is a tenant in a qualified business facility, the
33 owner of which has made or acquired capital investments in the
34 facility totaling not less than \$50,000,000, shall occupy a leased
35 area of the qualified business facility that represents at least
36 \$17,500,000 of the capital investment in the facility at which the
37 tenant business and up to two other tenants in the qualified business
38 facility shall employ not fewer than 250 full-time employees in the
39 aggregate to be eligible for a credit under this section. The amount
40 of capital investment in a facility that a leased area represents shall
41 be equal to that percentage of the owner's total capital investment in
42 the facility that the percentage of net leasable area leased by the
43 tenant is of the total net leasable area of the qualified business
44 facility. Capital investments made by a tenant shall be deemed to
45 be included in the calculation of the capital investment made or
46 acquired by the owner, but only to the extent necessary to meet the
47 owner's minimum capital investment of \$50,000,000. Capital
48 investments made by a tenant and not allocated to meet the owner's

1 minimum capital investment threshold of \$50,000,000 shall be
2 added to the amount of capital investment represented by the
3 tenant's leased area in the qualified business facility.

4 (4) A business shall not be allowed tax credits under this section
5 if the business participates in a business employment incentive
6 agreement, pursuant to P.L.1996, c.26 (C.34:1B-124 et seq.),
7 relating to the same capital and employees that qualify the business
8 for this credit, or if the business receives assistance pursuant to
9 P.L.1996, c.25 (C.34:1B-112 et seq.). A business that is allowed a
10 tax credit under this section shall not be eligible for incentives
11 authorized pursuant to P.L.2002, c.43 (C.52:27BBB-1 et al.). A
12 business shall not qualify for a tax credit under this section, based
13 upon its capital investment and the employment of full-time
14 employees, if that capital investment or employment was the basis
15 for which a grant was provided to the business pursuant to the
16 "InvestNJ Business Grant Program Act," P.L.2008, c.112 (C.34:1B-
17 237 et seq.).

18 (5) Full-time employment for an accounting or a privilege
19 period shall be determined as the average of the monthly full-time
20 employment for the period.

21 (6) The capital investment of the owner of a qualified business
22 facility is that percentage of the capital investment made or
23 acquired by the owner of the building that the percentage of net
24 leasable area of the qualified business facility not leased to tenants
25 is of the total net leasable area of the qualified business facility.

26 (7) A business shall be allowed a tax credit of 100 percent of its
27 capital investment, made after the effective date of P.L.2011, c.89
28 but prior to its submission of documentation pursuant to subsection
29 c. of this section, in a qualified business facility that is part of a
30 mixed use project, provided that (a) the qualified business facility
31 represents at least \$17,500,000 of the total capital investment in the
32 mixed use project, (b) the business employs not fewer than 250 full-
33 time employees in the qualified business facility, and (c) the total
34 capital investment in the mixed use project of which the qualified
35 business facility is a part is not less than \$50,000,000. The
36 allowance of credits under this paragraph shall be subject to the
37 restrictions and requirements, to the extent that those are not
38 inconsistent with the provisions of this paragraph, set forth in
39 paragraphs (1) through (6) of this subsection, including, but not
40 limited to, the requirement that the business shall demonstrate to the
41 authority, at the time of application, that the State's financial
42 support of the proposed capital investment in a qualified business
43 facility will yield a net positive benefit to both the State and the
44 eligible municipality.

45 (8) In determining whether a proposed capital investment will
46 yield a net positive benefit, the authority shall not consider the
47 transfer of an existing job from one location in the State to another
48 location in the State as the creation of a new job, unless (a) the

1 business proposes to transfer existing jobs to a municipality in the
2 State as part of a consolidation of business operations from two or
3 more other locations that are not in the same municipality whether
4 in-State or out-of-State, or (b) the business's chief executive officer,
5 or equivalent officer, submits a certification to the authority
6 indicating that the existing jobs are at risk of leaving the State and
7 that the business's chief executive officer, or equivalent officer, has
8 reviewed the information submitted to the authority and that the
9 representations contained therein are accurate, and the business
10 intends to employ not fewer than 500 full-time employees in the
11 qualified business facility. In the event that this certification by the
12 business's chief executive officer, or equivalent officer, is found to
13 be willfully false, the authority may revoke any award of tax credits
14 in their entirety, which revocation shall be in addition to any other
15 criminal or civil penalties that the business and the officer may be
16 subject to. When considering an application involving intra-State
17 job transfers, the authority shall require the company to submit the
18 following information as part of its application: a full economic
19 analysis of all locations under consideration by the company; all
20 lease agreements, ownership documents, or substantially similar
21 documentation for the business's current in-State locations; and all
22 lease agreements, ownership documents, or substantially similar
23 documentation for the potential out-of-State location alternatives, to
24 the extent they exist. Based on this information, and any other
25 information deemed relevant by the authority, the authority shall
26 independently verify and confirm, by way of making a factual
27 finding by separate vote of the authority's board, the business's
28 assertion that the jobs are actually at risk of leaving the State,
29 before a business may be awarded any tax credits under this section.

30 b. (1) If applications under this section have been received by
31 the authority prior to the effective date of the "New Jersey
32 Economic Opportunity Act of 2013," P.L.2013, c.161 (C.52:27D-
33 489p et al.), then, to the extent that there remains sufficient
34 financial authorization for the award of a tax credit, the authority is
35 authorized to consider those applications and to make awards of tax
36 credits to eligible applicants, provided that the authority shall take
37 final action on those applications no later than December 31, 2013.

38 (2) A business shall apply for the credit under this section prior
39 to the effective date of the "New Jersey Economic Opportunity Act
40 of 2013," P.L.2013, c.161 (C.52:27D-489p et al.), and shall submit
41 its documentation for approval of its credit amount no later than
42 April 26, 2021.

43 (3) If a business has submitted an application under this section
44 and that application has not been approved for any reason, the lack
45 of approval shall not serve to prejudice in any way the
46 consideration of a new application as may be submitted for the
47 qualified business facility for the provision of incentives offered

1 pursuant to the "New Jersey Economic Opportunity Act of 2013,"
2 P.L.2013, c.161 (C.52:27D-489p et al.).

3 (4) Tax credits awarded pursuant to P.L.2007, c.346 (C.34:1B-
4 207 et seq.) for applications submitted to and approved by the
5 authority prior to the effective date of the "New Jersey Economic
6 Opportunity Act of 2013," P.L.2013, c.161 (C.52:27D-489p et al.),
7 shall be administered by the authority in the manner established
8 prior to that date.

9 (5) With respect to an application received by the authority prior
10 to the effective date of the "New Jersey Economic Opportunity Act
11 of 2013," P.L.2013, c.161 (C.52:27D-489p et al.) for a qualified
12 business facility that is located on or adjacent to the campus of an
13 acute care medical facility, (a) the minimum number of full-time
14 employees required for eligibility under the program may be
15 employed by any number of tenants or other occupants of the
16 facility, in the aggregate, and the initial satisfaction of the
17 requirement following completion of the project shall be deemed to
18 satisfy the employment requirements of the program in all respects,
19 and (b) if the capital investment in the facility exceeds
20 \$100,000,000, the determination of the net positive benefit yield
21 shall be based on the benefits generated during a period of up to 30
22 years following the completion of the project, as determined by the
23 authority.

24 c. (1) The amount of credit allowed shall, except as otherwise
25 provided, be equal to the capital investment made by the business,
26 or the capital investment represented by the business's leased area,
27 or area owned by the business as a condominium, and shall be taken
28 over a 10-year period, at the rate of one-tenth of the total amount of
29 the business's credit for each tax accounting or privilege period of
30 the business, beginning with the tax period in which the business is
31 first certified by the authority as having met the investment capital
32 and employment qualifications, subject to any reduction or
33 disqualification as provided by subsection d. of this section as
34 determined by annual review by the authority. In conducting its
35 annual review, the authority may require a business to submit any
36 information determined by the authority to be necessary and
37 relevant to its review.

38 The credit amount for any tax period ending after July 28, 2021
39 during which the documentation of a business's credit amount
40 remains uncertified shall be forfeited, although credit amounts for
41 the remainder of the years of the 10-year credit period shall remain
42 available to it.

43 The credit amount that may be taken for a tax period of the
44 business that exceeds the final liabilities of the business for the tax
45 period may be carried forward for use by the business in the next 20
46 successive tax periods, and shall expire thereafter, provided that the
47 value of all credits approved by the authority against tax liabilities

1 pursuant to P.L.2007, c.346 (C.34:1B-207 et seq.) in any fiscal year
2 shall not exceed \$260,000,000.

3 The amount of credit allowed for a tax period to a business that
4 is a tenant in a qualified business facility shall not exceed the
5 business's total lease payments for occupancy of the qualified
6 business facility for the tax period.

7 (2) A business that is a partnership shall not be allowed a credit
8 under this section directly, but the amount of credit of an owner of a
9 business shall be determined by allocating to each owner of the
10 partnership that proportion of the credit of the business that is equal
11 to the owner of the partnership's share, whether or not distributed,
12 of the total distributive income or gain of the partnership for its tax
13 period ending within or at the end of the owner's tax period, or that
14 proportion that is allocated by an agreement, if any, among the
15 owners of the partnership that has been provided to the Director of
16 the Division of Taxation in the Department of the Treasury by the
17 time and accompanied by the additional information as the director
18 may require.

19 (3) The amount of credit allowed may be applied against the tax
20 liability otherwise due pursuant to section 5 of P.L.1945, c.162
21 (C.54:10A-5), pursuant to sections 2 and 3 of P.L.1945, c.132
22 (C.54:18A-2 and C.54:18A-3), pursuant to section 1 of
23 P.L.1950, c.231 (C.17:32-15), or pursuant to N.J.S.17B:23-5.

24 d. (1) If, in any tax period, fewer than 200 full-time
25 employees of the business at the qualified business facility are
26 employed in new full-time positions, the amount of the credit
27 otherwise determined pursuant to final calculation of the award of
28 tax credits pursuant to subsection c. of this section shall be reduced
29 by 20 percent for that tax period and each subsequent tax period
30 until the first period for which documentation demonstrating the
31 restoration of the 200 full-time employees employed in new full-
32 time positions at the qualified business facility has been reviewed
33 and approved by the authority, for which tax period and each
34 subsequent tax period the full amount of the credit shall be allowed;
35 provided, however, that for businesses applying before January 1,
36 2010, there shall be no reduction if a business relocates to [an
37 urban] a transit hub from another location or other locations in the
38 same municipality in which the transit hub is located. For the
39 purposes of this paragraph, a "new full-time position" means a
40 position created by the business at the qualified business facility
41 that did not previously exist in this State.

42 (2) If, in any tax period, the business reduces the total number
43 of full-time employees in its Statewide workforce by more than 20
44 percent from the number of full-time employees in its Statewide
45 workforce in the last tax accounting or privilege period prior to the
46 credit amount approval under subsection a. of this section, then the
47 business shall forfeit its credit amount for that tax period and each
48 subsequent tax period, until the first tax period for which

1 documentation demonstrating the restoration of the business's
2 Statewide workforce to the threshold levels required by this
3 paragraph has been reviewed and approved by the authority, for
4 which tax period and each subsequent tax period the full amount of
5 the credit shall be allowed.

6 (3) If, in any tax period, (a) the number of full-time employees
7 employed by the business at the qualified business facility located
8 in [an urban] a transit hub within an eligible municipality drops
9 below 250, or (b) the number of full-time employees, who are not
10 the subject of intra-State job transfers, pursuant to paragraph (8) of
11 subsection a. of this section, employed by the business at any other
12 business facility in the State, whether or not located in [an urban] a
13 transit hub within an eligible municipality, drops by more than 20
14 percent from the number of full-time employees in its workforce in
15 the last tax accounting or privilege period prior to the credit amount
16 approval under this section, then the business shall forfeit its credit
17 amount for that tax period and each subsequent tax period, until the
18 first tax period for which documentation demonstrating the
19 restoration of the number of full-time employees employed by the
20 business at the qualified business facility to 250 or an increase
21 above the 20 percent reduction has been reviewed and approved by
22 the authority, for which tax period and each subsequent tax period
23 the full amount of the credit shall be allowed.

24 (4) (i) If the qualified business facility is sold in whole or in
25 part during the 10-year eligibility period, the new owner shall not
26 acquire the capital investment of the seller and the seller shall
27 forfeit all credits for the tax period in which the sale occurs and all
28 subsequent tax periods; provided, however, that any credits of
29 tenants shall remain unaffected.

30 (ii) If a tenant subleases its tenancy in whole or in part during
31 the 10-year eligibility period, the new tenant shall not acquire the
32 credit of the sublessor, and the sublessor tenant shall forfeit all
33 credits for the tax period of its sublease and all subsequent tax
34 periods.

35 e. (1) The Executive Director of the New Jersey Economic
36 Development Authority, in consultation with the Director of the
37 Division of Taxation in the Department of the Treasury, shall adopt
38 rules in accordance with the "Administrative Procedure Act,"
39 P.L.1968, c.410 (C.52:14B-1 et seq.) as are necessary to implement
40 P.L.2007, c.346 (C.34:1B-207 et seq.), including, but not limited to:
41 examples of and the determination of capital investment; the
42 enumeration of eligible municipalities; specific delineation of
43 [urban] transit hubs; the determination of the limits, if any, on the
44 expense or type of furnishings that may constitute capital
45 improvements; the promulgation of procedures and forms necessary
46 to apply for a credit, including the enumeration of the certification
47 procedures and allocation of tax credits for different phases of a
48 qualified business facility or mixed use project; and provisions for

1 credit applicants to be charged an initial application fee, and
2 ongoing service fees, to cover the administrative costs related to the
3 credit.

4 (2) Through regulation, the authority shall establish standards
5 based on the green building manual prepared by the Commissioner
6 of Community Affairs, pursuant to section 1 of P.L.2007, c.132
7 (C.52:27D-130.6), regarding the use of renewable energy, energy-
8 efficient technology, and non-renewable resources in order to
9 reduce environmental degradation and encourage long-term cost
10 reduction. (cf: P.L.2017, c.314, s.1)

11
12 4. This act shall take effect immediately.

13
14
15 STATEMENT

16
17 This bill expands eligibility under the Urban Transit Hub Tax
18 Credit Act (UTHTCA) by broadening certain municipal qualifier
19 provisions. During the 2006-2007 Session the Legislature passed
20 UTHTCA as a mechanism to catalyze economic development. As
21 originally enacted, UTHTCA provided tax credits for qualified
22 business facilities within urban transit hubs located in
23 municipalities meeting certain criteria. This bill amends the
24 municipal qualifier provisions so that any municipality with a
25 commuter rail station satisfies the requirements to be considered an
26 “eligible municipality.” The intent behind broadening the
27 definition of “eligible municipality” is to expand the scope wherein
28 the tax credit can induce economic development.

29 Under UTHTCA, a business that makes \$50,000,000 of capital
30 investment in a qualified business facility within an urban transit
31 hub and that employs at least 250 people at the facility may qualify
32 for a tax credit equal to the qualified capital investment. The credit
33 may be applied against corporation business tax, insurance
34 premiums tax or gross income tax liability. UTHTCA also enables
35 a tenant located in a qualified business facility to take advantage of
36 a similar credit, under certain circumstances and limitations.

37 For a business facility to qualify under UTHTCA, it must be
38 located in a urban rail transit hub that is within a municipality that
39 is eligible for urban aid and has at least 30 percent of its real
40 property value exempt from property taxes. According to the New
41 Jersey Office of Economic Growth, as UTHTCA was originally
42 enacted nine municipalities would meet that criteria.

43 By broadening the municipal qualifier provisions to include any
44 municipality with a commuter rail station, this bill is designed to
45 widen the scope of tax credit eligibility to encourage economic
46 development in and beyond nine municipalities. Accordingly, this
47 bill also removes the word “urban” from the title of the UTHTCA
48 so that it is read as the Transit Hub Tax Credit Act.